

Lochay Group Limited
Filleted Financial Statements
for the Year Ended
30 September 2018



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Lochay Group Limited

Financial Statements

Year ended 30 September 2018

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Lochay Group Limited

Directors' Responsibilities Statement

Year ended 30 September 2018

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lochay Group Limited
Statement of Financial Position

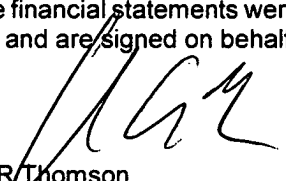
30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	9,471	4,032
Investments	6	62,741	62,841
		<u>72,212</u>	<u>66,873</u>
Current assets			
Stocks and work in progress		2,100	2,100
Debtors	7	728,755	736,484
Cash at bank and in hand		197,485	324,111
		<u>928,340</u>	<u>1,062,695</u>
Creditors: amounts falling due within one year	8	<u>(52,368)</u>	<u>(138,790)</u>
Net current assets		<u>875,972</u>	<u>923,905</u>
Total assets less current liabilities		<u>948,184</u>	<u>990,778</u>
Net assets		<u>948,184</u>	<u>990,778</u>
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account	10	938,184	980,778
Shareholders' funds		<u>948,184</u>	<u>990,778</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 12 March 2019, and are signed on behalf of the board by:


W G R Thomson
Director

Company registration number: SC152921

Lochay Group Limited

Notes to the Financial Statements

Year ended 30 September 2018

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 12 Hope Street, Edinburgh, EH2 4DB.

2. Statement of compliance

These financial statements for the year ended have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Pension costs

The company makes contributions to defined contribution pension schemes on behalf of certain employees. Contributions are charged to the profit and loss account in the period to which they relate.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 5 for carrying amounts of tangible assets.

Lochay Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

3. Accounting policies *(continued)*

ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 7 for carrying amount of debtors.

Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover comprises rents receivable, sales of properties and services provided net of value added tax.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period, and is charged in the Statement of Income and Retained Earnings. Deferred tax is provided on the liability method to take account of timing differences between the treatment for certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% straight line
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Impairment of assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Lochay Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 4 (2017: 5).

5. Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 1 October 2017	11,021	11,021
Additions	7,583	7,583
Disposals	(668)	(668)
At 30 September 2018	17,936	17,936
Depreciation		
At 1 October 2017	6,989	6,989
Charge for the year	2,144	2,144
Disposals	(668)	(668)
At 30 September 2018	8,465	8,465
Carrying amount		
At 30 September 2018	9,471	9,471
At 30 September 2017	4,032	4,032

Lochay Group Limited

Notes to the Financial Statements for (continued)

Year ended 30 September 2018

6. Investments

	Shares in subsidiary undertakings £	Shares in participating interests £	Other investments other than loans £	Total £
Cost				
At 1 October 2017	290	51	62,500	62,841
Disposals	(100)	—	—	(100)
At 30 September 2018	190	51	62,500	62,741
Impairment				
At 1 October 2017 and 30 September 2018	—	—	—	—
Carrying amount				
At 30 September 2018	190	51	62,500	62,741
At 30 September 2017	290	51	62,500	62,841

Shares in subsidiary undertakings

The company holds 100% of the ordinary share capital of Lochay Properties Limited (a property, trading and investment company) which has a year end of 30 September 2018 and is registered in Scotland. The company also holds 90% of the ordinary share capital of Lochay Homes Limited (a housebuilder) which has a year end of 30 September 2018 and is registered in Scotland. The company held 100% of the ordinary share capital of Lochay (Northern) Limited. This company has now ceased trading and has been wound up during the year.

Interests in associated companies

The company holds 50% of the ordinary share capital of Loch Esk Limited and 39 Hanover Limited. The principal business activity of these companies is property development. These associated companies are registered in Scotland.

The company also has a 40% member's interest in Livingston Parkway LLP. This business entity holds an investment property.

The results for subsidiary undertakings and associates which exceed the 25% threshold as at 30 September 2018 are as follows:

Capital and Reserves

	2018 £	2017 £
Loch Esk Limited	7,770	11,034
39 Hanover Limited	94,002	14,458
Livingston Parkway LLP	1,686,989	1,799,274
Lochay Properties Limited	3,632,621	2,353,271
Lochay Homes Limited	3,573,994	3,286,437

Profit/(Loss) for the year

	2018 £	2017 £
Loch Esk Limited	(1,185)	(1,584)
39 Hanover Limited	55,117	14,456
Livingston Parkway LLP	79,571	(14,701)
Lochay Properties Limited	11,560	289,348
Lochay Homes Limited	296,428	1,041,638
Lochay (Northern) Limited	—	141,301

Lochay Group Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

7. Debtors

	2018 £	2017 £
Trade debtors	3,135	3,363
Amounts owed by undertakings in which the company has a participating interest	682,631	697,788
Other debtors	42,989	35,333
	<u>728,755</u>	<u>736,484</u>

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	–	81,866
Corporation tax	3,910	–
Social security and other taxes	16,966	17,071
Other creditors	31,492	39,853
	<u>52,368</u>	<u>138,790</u>

9. Summary audit opinion

The auditor's report was unqualified.

The senior statutory auditor was Barry Truswell CA, for and on behalf of Chiene + Tait LLP.

10. Reserves

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses.

11. Related party transactions

No amount was outstanding at the balance sheet date to a subsidiary undertaking (2017: £81,866).

Included in other debtors is an amount of £20,000 (2017: £20,000) due from a joint arrangement between a subsidiary and a director.

During the year the company was charged an office rent of £47,000 per annum (2017: £41,000) by a director's self-invested pension scheme. The company recovered rent amounting to £40,800 (2017: £39,100) from third parties sub-letting office space within the company's premises.

Amounts owed by associated undertakings with common directors/members at the year-end totalled £682,631 (2017: £697,788). All amounts owed are interest free and repayable on demand.

During the year management fees of £125,000 (2017: £153,750) were charged to subsidiary undertakings.